# *Financial Information Act* Report

## For the Year Ended March 31, 2010

# *Financial Information Act* Report
## Table of Contents
## For the Year Ended March 31, 2010


Audited Consolidated Financial Statements 2010

Schedule A - Reconciliation to the Financial Statements

Schedule B - Employee Remuneration and Expenses

Schedule C - Appointments Remuneration and Expenses

Schedule D - Grants

Schedule E - Contributions

Schedule F - Purchases from Suppliers

Schedule G - Statement of Severance Agreements

Schedule H – Guarantee and Indemnity Agreements

# Oil and Gas Commission

## Consolidated Financial Statements

## March 31, 2010

# Report of the Auditor General of British Columbia

*To the Board of Directors of*
*the Oil and Gas Commission; and*

*To the Minister of Energy Mines and Petroleum Resources*
*Province of British Columbia:*

I have audited the consolidated statement of financial position of the *Oil and Gas Commission* as at March 31, 2010, and the consolidated statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Oil and Gas Commission* as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia*
*June 21, 2010*

John Doyle, MBA, CA
Auditor General

BC Oil & Gas COMMISSION

**Statement of Management Responsibility**

The consolidated financial statements of the Oil and Gas Commission (Commission) for the year ended March 31, 2010 have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles. These consolidated financial statements present fairly the financial position of the Commission as at March 31, 2010, and the results of its operations and changes in its financial position for the year then ended.

Management is responsible for the preparation of the consolidated financial statements and have established systems of internal control to provide reasonable assurance that assets are safeguarded, that transactions are properly authorized, and that financial records provide reliable information for the preparation of financial statements.

The Auditor General of British Columbia has performed an independent audit of the consolidated financial statements of the Commission. The Auditor's report outlines the scope of his examination and expresses an opinion on the statements of the Commission.

**Alex Ferguson**
**Commissioner**

**Randall Smith**
**Executive Financial Officer**

**Oil and Gas Commission**
**Consolidated Statement of Financial Position**
**(in $000s)**

| March 31 | 2010 | 2009 Restated Note 2 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash | 1,962 | 4,529 |
| Accounts receivable (Note 6) | 11,148 | 6,986 |
| Prepaid expenses | 212 | 226 |
| | 13,322 | 11,741 |
| **Restricted cash** (Note 7) | 3,031 | 2,242 |
| **Other assets** | 66 | 23 |
| **Property, plant and equipment** (Note 9) | 3,420 | 2,062 |
| **Intangible assets** (Note 9) | 588 | 1,395 |
| | 20,427 | 17,463 |
| **Liabilities and net assets** | | |
| **Current liabilities** | | |
| Accounts payable | 894 | 1,384 |
| Wages payable (Note 11) | 826 | 1,447 |
| Due to First Nations | 1,451 | 844 |
| Due to the Province of British Columbia (Note 14) | 170 | 910 |
| Deferred Revenue | 492 | 149 |
| | 3,833 | 4,734 |
| **Future retirement allowance** (Note 11) | 409 | 533 |
| | 4,242 | 5,267 |
| **Net assets** | | |
| Net assets | 16,125 | 12,126 |
| Contributed assets (Note 10) | 60 | 70 |
| | 16,185 | 12,196 |
| | 20,427 | 17,463 |

Orphan Site Reclamation Fund (Note 7)
Funds under administration (Note 8)
Contingent Liability (Note 13)
The accompanying notes are an integral part of these statements.

Greg Reimer, Board Chair

Alex Ferguson, Commissioner

**Oil and Gas Commission**
**Consolidated Statement of Operations and Net Assets**
**(in $000s)**

| March 31 | 2010 | 2009 Restated Note 2 |
|---|---|---|
| **Revenues** | | |
| Fees | 12,865 | 13,698 |
| Levies | 19,514 | 14,971 |
| Recoveries from the Province of British Columbia | 381 | 1,177 |
| Miscellaneous | 135 | 351 |
| | 32,895 | 30,197 |
| **Expenses** | | |
| Salaries and benefits | 15,372 | 15,755 |
| First Nations (Note 15) | 6,296 | 8,797 |
| Professional services and training | 1,638 | 3,139 |
| Travel and vehicle costs | 928 | 1,295 |
| Building occupancy | 2,196 | 1,847 |
| Telecommunications and information systems | 746 | 941 |
| Amortization | 1,317 | 1,243 |
| Miscellaneous and reserve for doubtful accounts | 37 | 49 |
| Office supplies and equipment | 516 | 493 |
| Grants | 10 | 10 |
| | 29,056 | 33,569 |
| **Income (loss) from operations** | 3,839 | (3,372) |
| **Gain on sale of assets** | 150 | - |
| **Amortization of contributed assets** (Note10) | 10 | 58 |
| **Net income (loss)** | 3,999 | (3,314) |
| **Net assets beginning of year** | 12,126 | 15,440 |
| **Net assets end of year** | 16,125 | 12,126 |

The accompanying notes are an integral part of these statements.

**Oil and Gas Commission**
**Consolidated Statement of Cash Flows**
**(in $000s)**

| March 31 | 2010 | 2009 Restated Note 2 |
|---|---|---|
| **Operating activities** | | |
| **Cash generated from:** | | |
| Fees | 11,508 | 13,613 |
| Levies | 17,156 | 14,822 |
| Miscellaneous and recoveries | 412 | 2,043 |
| | 29,076 | 30,478 |
| **Cash used for:** | | |
| Payments to First Nations | (5,689) | (7,595) |
| Salaries and benefits | (16,117) | (15,222) |
| Operating expenses | (7,330) | (7,904) |
| | (29,136) | (30,721) |
| **Cash from (used in) operating activities** | (60) | (243) |
| **Investing activities** | | |
| **Cash generated from:** | | |
| Proceeds from sale of assets | 207 | - |
| **Cash used for:** | | |
| Purchase of plant and equipment | (1,912) | (947) |
| Purchase of intangible assets | (13) | (504) |
| Cash restricted for Orphan Site Reclamation Fund | (789) | (686) |
| | (2,714) | (2,137) |
| **Cash from (used in) investing activities** | (2,507) | (2,137) |
| **Decrease in cash** | (2,567) | (2,380) |
| **Cash beginning of year** | 4,529 | 6,909 |
| **Cash end of year** | 1,962 | 4,529 |

The accompanying notes are an integral part of these statements.

**Oil and Gas Commission**
**Notes to the Consolidated Financial Statements March 31, 2010**
**(tabular in $000s)**

---

## 1. The Oil and Gas Commission

The Oil and Gas Commission (Commission) was established under the *Oil and Gas Commission Act* on July 30, 1998 to regulate industry activity on oil and gas lands and to resolve industry land use and economic issues related to Aboriginal lands on behalf of the Province of British Columbia. The Commission is also accountable for delivering initiatives and programs that serve to minimize the environmental impact of oil and gas activities in British Columbia. The *Oil and Gas Activities Act*, which supercedes the *Oil and Gas Commission Act*, has been passed but the new Act and related regulations have not yet been enacted.

The Commission is funded through revenue from the consolidated revenue fund of the Province of British Columbia derived from:

- Levies from oil and gas production,
- Fees related to applications for licenses, permits and other authorizations reviewed by the Commission under the *Petroleum and Natural Gas Act*, and
- Annual fees prescribed under the *Petroleum and Natural Gas Act* and the *Pipeline Act*.

The Commission is exempt from federal and provincial income taxes.

## 2. Prior Period Adjustment

During the current year it was determined that 2009 Fee revenue was understated by $420,000. The adjustment to reflect this was applied retrospectively, which for the March 31, 2009 year-end increased Cash, Fees, Net Income, and Net Assets by $420,000.

## 3. Significant Accounting Policies

The consolidated financial statements of the Commission are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Significant accounting policies are as follows:

**New accounting pronouncements**

Future Accounting Framework

The Commission is a government organization within the British Columbia government reporting entity, and as such follows the accounting standards of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The Commission has been classified as an "other government organization" under PSAB and has chosen to follow the private sector accounting standards of the CICA.

The Canadian Accounting Standards Board (AcSB) has confirmed that, on January 1, 2011, International Financial Reporting Standards (IFRS) will replace Canadian generally accepted accounting principles (Canadian GAAP) for publicly accountable enterprises. In addition to IFRS, the CICA will continue to support accounting standards for private enterprises, not for profit organizations, and public sector accounting standards.

PSAB has amended the Introduction to the Public Sector Accounting Handbook to confirm that "other government organizations" should either adhere to the PSAB Handbook or to the standards for publicly accountable enterprises.

The Commission is currently in the process of determining the changes required to comply with the direction of PSAB. Once the new direction is finalized, the Commission will determine the impact to the financial statements.

**3. Significant Accounting Policies (continued)**

Goodwill and Intangible Assets

In February 2008, the CICA issued section 3064 *Goodwill and Intangible Assets* which provides guidance on the recognition, measurement, presentation and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. The standard is effective for fiscal years beginning on or after October 1, 2008, and requires retroactive application to prior period financial statements. The Oil and Gas Commission has adopted this standard which has resulted in a change in presentation separately disclosing intangible assets.

**Consolidation**

The accounts of the Commission and the Orphan Site Reclamation Fund (OSRF) have been consolidated in these financial statements. The Commission administers and controls the OSRF and all intercompany balances and transactions have been eliminated.

**Financial Instruments**

The Commission has designated its Financial Instruments as follows: Cash is classified as held for trading and measured at fair value and all gains and losses are included in net income from operations in the period in which they occur. Accounts receivable are classified as loans and receivables and are measured at amortized cost. Accounts payables, wages payable and due to First Nations are classified as other financial liabilities and are also measured at amortized cost.

**Capital Assets**

Property, plant and equipment, and Intangible assets are recorded at cost and are amortized on a straight-line basis over the estimated useful life of the assets at the following annual rates

| Property, plant and equipment | Rate |
|---|---|
| Furniture, equipment and tenant improvements | 10% |
| Operating equipment | 20% |
| Automotive equipment | 25% |
| Computer hardware | 33% |

| Intangible assets | Rate |
|---|---|
| Business Systems Development | 33% |
| Other software | 33% |

An amount approximating amortization associated with capital assets originally paid for by the Province of British Columbia is transferred from contributed assets to revenue each year. See note 10.

**Revenue Recognition**

All fee and levy revenue authorized and collected under Section 23 of the *Oil and Gas Commission Act* is first paid to the Minister of Finance. The province is required to transfer this amount of revenue to the Commission in full. Revenue is recognized when it is earned.

## 3. Significant Accounting Policies (continued)

### Use of Estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Significant balances that include an element of estimation include levy revenues and receivables, the amortization of capital assets, and future employee benefit liabilities.

Levy revenue receivable is estimated based on an analysis that takes into account both historical and current year trends. Actual results have been consistently within 2% of estimate.

## 4. Capital Management

The Oil and Gas Commission defines capital as net equity (assets minus liabilities). It manages its capital structure in accordance with its long-term view of investments in property, plant and equipment and the anticipated impacts to operations caused by changes in economic conditions necessary to meet its legislative mandate. Net equity includes the net assets of the Orphan Site Reclamation Fund which is restricted in its use (see Note 7). There has been no change to the Commission's approach to capital management during the period. The Commission is currently meeting all of its financial commitments. The Commission has no externally imposed capital requirements.

## 5. Financial Instruments

The Commission's financial instruments include Cash, Accounts Receivable, Accounts Payable, and Due to First Nations. The carrying amounts of these instruments approximates fair value due to their short-term nature.

### Risks

The activities of the Commission could expose it to a variety of financial risks including credit risk, interest rate risk, and liquidity risk.

### Credit Risk

Credit risk is the risk associated with the inability of a third party to fulfill payment obligations. The Commission is exposed to credit risk in the event of non-payment of Accounts Receivable levies on production of oil and gas. This risk is negligible, as the third parties cannot access their oil and gas assets without the concurrence of the Commission.

The Commission is exposed to credit risk associated with its cash deposits. This risk is mitigated by placing Cash deposits in recognized British Columbia and Canadian deposit-taking financial institutions, with coverage of the Credit Union Deposit Insurance Corporation or the Canadian Deposit Insurance Corporation. Credit risk arising from Cash deposits is considered negligible.

### Interest Rate Risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. The Commission is exposed to interest rate risk on Cash deposits, however the risk is not considered significant as interest revenues are not significant.

## 5. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with its financial liabilities. The Commission manages its liquidity risk by placing deposits in cash and closely monitoring revenue-generating activities, as well as controlling expenditures to result in suitable cash flows.

It is management's assessment that the Commission is not exposed to significant credit, interest, or liquidity risk arising from these instruments.

## 6. Accounts Receivable

Fee and levy revenue is initially receivable from industry. The majority of the revenue is subsequently collected and processed through the provincial government. At any point in time, a portion of fees and levies receivable by the Commission is payable by industry, and a portion is payable by the Province to the Commission.

| | 2010 | 2009 |
|---|---|---|
| **Due from Industry** | | |
| Fees | 2,065 | 772 |
| Levies | 6,022 | 4,009 |
| | 8,087 | 4,781 |
| **Due from the Province of British Columbia** | | |
| Fees and levies collected | 2,775 | 2,023 |
| Recoveries | 246 | 141 |
| | 3,021 | 2,164 |
| **Other** | 40 | 41 |
| | 11,148 | 6,986 |

## 7. Orphan Site Reclamation Fund

The Oil and Gas Commission administers the Orphan Site Reclamation Fund (OSRF). The OSRF was created on April 1, 2006 as a means for industry to pay for reclamation of orphaned oil and gas sites and for related costs. The Ministry of Energy, Mines and Petroleum Resources provided funding to reclaim and remediate orphan sites specifically identified at that time. It is anticipated that there will be no residual liability to the OSRF from the identified sites.

There are also 24 potential orphan sites in BC, the majority of which preceded regulation in the province. Liability for these sites has not been established at this time, however it is probable that the majority will become the responsibility of the OSRF if ownership cannot be determined. Reclamation of the sites would then be prioritized based on risk, and proximity to human habitation or sensitive environment. Because the majority of these sites were abandoned more than 50 years ago with minimal documentation, it is impractical to estimate costs of reclamation or whether reclamation is necessary or feasible.

At March 31, 2010, the Commission held $3,031,000 in OSRF cash (2009: $2,242,000). Net Assets accumulated by the OSRF are restricted in use by legislation and are not available for general use of the Commission. At March 31, 2010, OSRF Net Assets totalled $3,493,000 (2009: $2,608,000).

Net Assets and results of Operations of the OSRF are summarized as follows:

| | 2010 | 2009 |
|---|---|---|
| **Assets** | | |
| Cash | 3,031 | 2,242 |
| Receivables | 540 | 395 |
| **Total assets** | 3,571 | 2,637 |
| | | |
| **Current liabilities** | | |
| Accounts payable | 78 | 29 |
| | | |
| **Net assets** | 3,493 | 2,608 |
| **Net assets and liabilities** | 3,571 | 2,637 |
| | | |
| **Revenue** | | |
| Levies | 918 | 921 |
| Recoveries from province | 257 | 992 |
| Miscellaneous | 7 | 26 |
| | 1,182 | 1,939 |
| | | |
| **Expenses** | | |
| Reclamation expenses | 297 | 1,230 |
| **Net income - Orphan Site Reclamation Fund** | 885 | 709 |

### 8. Science and Community Environmental Knowledge (SCEK) Fund

The Commission administers the SCEK fund on behalf of the SCEK Steering Committee. The activities and balances of the SCEK fund are not included in these financial statements. Funding is generated and collected by the Commission through a portion of the levy on oil and gas production and a portion of the application fee for wells. The money is restricted for use as directed by the SCEK Steering Committee for projects and administration of the SCEK Fund. This funding was suspended April 1, 2009.

At March 31, 2010 the net asset balance of the SCEK fund is $1,516,000 (2009: $2,054,000). For the year ending March 31, 2010 revenues were $5,000 (2009: $889,000) and expenses were $543,000 (2009: $360,000).

### 9. Capital Assets

Capital assets are amortized at rates as stated in note 3. For the year-ending March 31, 2010, Amortization expense for Property, plant and equipment was $497,000 (2009: $509,000), for Business Systems Development was $771,000 (2009: $706,000), and for purchased Computer software was $49,000 (2009: $28,000).

| | Cost | Accumulated Amortization | 2010 Net Book Value | 2009 Net Book Value |
|---|---|---|---|---|
| **Property, plant and equipment** | | | | |
| Furniture and tenant improvements | 4,604 | 1,447 | **3,157** | **1,742** |
| Computer hardware | 555 | 335 | **220** | **163** |
| Automotive equipment | 310 | 309 | **1** | **42** |
| Operating equipment | 168 | 126 | **42** | **58** |
| Land | - | - | **-** | **57** |
| | 5,637 | 2,217 | **3,420** | **2,062** |
| **Intangible assets** | | | | |
| Business systems development | 2,316 | 1,798 | **518** | **1,284** |
| Computer Software | 151 | 81 | **70** | **111** |
| | 2,467 | 1,879 | **588** | **1,395** |
| | 8,104 | 4,096 | **4,008** | **3,457** |

## 10. Contributed Assets and Forgiveness of Start-up Costs

During its first year of operation (fiscal 1999) the Commission borrowed funds from the province to finance its purchase of capital assets and pay for professional contracts. The total of these amounts was $1.62 million.

During fiscal 2001 the province forgave this amount and the amount equal to the capital assets. They were recognized as a contributed asset. The province also provided $100,000 towards tenant improvements in fiscal 2007. An equivalent amount was recognized as a contributed asset.

Contributed assets are amortized each year in an amount approximating amortization of capital assets; this amount is transferred to revenue.

| | 2010 | 2009 |
|---|---|---|
| Contributed assets beginning of year | 70 | 128 |
| Amortization of contributed assets | (10) | (58) |
| Contributed assets end of year | 60 | 70 |

## 11. Employee Benefit Plans and Future Liability

### Employees' Benefits Plan

The Commission and its employees contribute to the Public Service Pension Plan (the Plan). The Public Service Pension Board of Trustees, representing plan members and employers is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a defined benefit multi-employer contributory pension plan.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest valuation as at March 31, 2008 indicated a surplus of $487 million for basic pension benefits. The next valuation will be as at March 31, 2011 with results available in early 2012. The actuary does not attribute portions of the unfunded liability or surplus to individual employers. Contributions to the Plan by the Commission for 2010 were $1,160,262 (2009: $1,017,905).

### Accrued Employee Leave Entitlements

As of March 31, 2010, the value of employee entitlements to vacation, other leave and compensatory time off, plus related benefits, in accordance with collective agreements and terms of employment was $429,392 (2009: $446,387).

### Employee Future Retirement Allowance Liability

The Commission accrues for future retirement allowances as provided under the collective agreements and terms of employment. The discounted value, net of recoveries, of this obligation is $460,104 of which $51,320 is included in wages payable as a current liability.

## 12. Commitments

The Commission occupies leased office buildings and storage space in Fort St. John, Fort Nelson, Dawson Creek and Victoria and has entered into a number of short-term leases and support agreements for vehicles, office equipment, and software development and licensing.

The Commission's commitments for the agreements described above are:

| Fiscal Year | Commitments |
|---|---|
| 2010/11 | 3,062 |
| 2011/12 | 2,352 |
| 2012/13 | 2,394 |
| 2013/14 | 1,307 |
| 2014/15 | 1,109 |
| | 10,224 |

As well, the Commission has signed Consultation Agreements with a number of First Nations communities, committing the Commission to fixed minimum payments totalling $880,000 annually plus further amounts based on the number of well applications received by the Commission. Estimated payments to First Nations for fiscal 2011 are $6.0 million; future years' payments are dependent upon renewal of existing agreements, the likelihood of which cannot be ascertained at this time.

## 13. Contingent Liability

### Litigation and Claims

The Commission is contingently liable with respect to pending litigation and claims in the normal course of business. In the opinion of management, any liability that may arise from pending litigation would not have a material effect on the Commission's consolidated financial position or results of operations.

See also Note 7 regarding potential reclamation costs related to the Orphan Site Reclamation Fund.

## 14. Related Party Transactions

The Commission is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded on the accrual basis, are considered to be in the normal course of operations, and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The consolidated financial statements include the following related party transactions:

| | 2010 | 2009 |
|---|---|---|
| **Due from the Province of British Columbia:** | | |
| Fees and levies collected | 2,775 | 2,023 |
| Recoveries | 246 | 141 |
| | 3,021 | 2,164 |
| **Due to the Province of British Columbia:** | | |
| Expense reimbursements | 170 | 910 |
| **Revenues from the province:** | | |
| Contract recoveries | 381 | 1,177 |
| Miscellaneous | 17 | 17 |
| | 398 | 1,194 |
| **Expenses:** | | |
| Salaries and benefits | 1,646 | 1,603 |
| Building occupancy | 1,305 | 1,608 |
| Professional services and training | 264 | 551 |
| Telecommunications and info systems | 257 | 328 |
| Travel and vehicle costs | 171 | 420 |
| Office supplies and equipment | 62 | 750 |
| | 3,705 | 5,260 |

## 15. First Nations Payments

The Commission has entered into Consultation Agreements with the following First Nations. During the life of the Agreements, each First Nation will receive payments based on current oil and gas development activities, for the purpose of consultation services on applications as required by the *Oil and Gas Commission Act*. Payments for the year-ended March 31st are as follows:

| Payments to: | Agreements Expire | 2010 | 2009 |
|---|---|---|---|
| Blueberry River First Nations | March 31, 2020 | 577 | 1,002 |
| Dene Tha' First Nations | September 30, 2011 | 460 | 540 |
| Doig River First Nations | March 31, 2011 | 577 | 978 |
| Fort Nelson First Nations | March 31, 2011 | 577 | 978 |
| Halfway River First Nations | March 31, 2011 | 577 | 978 |
| McLeod Lake Indian Band | April 30, 2011 | 982 | 1,187 |
| Prophet River First Nations | March 31, 2011 | 577 | 978 |
| Saulteau First Nations | March 31, 2011 | 966 | 1,065 |
| West Moberly First Nations | March 31, 2011 | 985 | 1,088 |
| Ktunaxa First Nation | March 31, 2010 | 18 | 3 |
| | | 6,296 | 8,797 |

## 16. Comparative Figures

Certain comparative figures have been restated to conform to the presentation used in the current year.

## *Financial Information Act* Report
## Schedule A -Reconciliation to the Financial Statements
## For the Year Ended March 31, 2010

| | | |
|---|---|---|
| Remuneration and Expenses - Appointments & Employees | $15,372,000 | List B & C |
| Amounts Paid to Suppliers for Goods & Services | 9,215,069 | List F |
| Grants | 10,000 | List D |
| Contributions | 5,691,000 | List E |
| | **30,288,069** | |
| Amortization | 1,317,000 | |
| Miscellaneous and Reserve for Doubtful Accounts | 37,000 | |
| Capital Spending | (2,245,137) | |
| Accounting Adjustments and Accruals | ($340,933) | |
| **Total Expenses - Consolidated Financial Statements** | **$29,056,000** | |

Robin Junger
Board Chair

## *Financial Information Act* Report
## Schedule B - Employee Remuneration and Expenses
## For the Year Ended March 31, 2010

| Employee | Salary | Expenses |
|---|---|---|
| Barker, June | $108,522 | $953 |
| Berranger, Norman | 81,389 | 272 |
| Brandzin, Vera | 77,905 | 1,062 |
| Buckland, Donald | 110,985 | 5,502 |
| Burzek, Michael | 91,299 | 6,509 |
| Calder, Shelley | 78,659 | - |
| Christianson, Deliae | 79,404 | - |
| Dame, John | 94,824 | - |
| De Smit, Carlos | 86,136 | 3,711 |
| Dosil, Abelardo | 97,118 | 8,536 |
| Fox, Gerald | 77,084 | 410 |
| Gilbert, Kenneth | 104,789 | 1,010 |
| Gladysz, James | 98,473 | 858 |
| Griffiths, Gordon | 101,458 | 11,885 |
| Hanson, Daniel | 77,165 | - |
| Hayes, Mark | 108,731 | 6,357 |
| Jeakins, Paul | 158,237 | 47,495 |
| Johnson, Jeffrey | 120,143 | 3,008 |
| Kadonaga, Ken | 90,763 | 1,624 |
| Khan, Akbar | 80,407 | 2,461 |
| Krezanoski, David | 133,031 | 97 |
| Larsen, Karen | 82,334 | 100 |
| Lawson, Laura Jane | 106,705 | 21,021 |
| Lever, Gregory | 99,298 | 38,563 |
| Loe, Annette | 86,220 | 3,147 |
| Madill, Howard | 103,969 | 4,174 |
| McAuliffe, Peter | 91,701 | 2,602 |
| McLean, Douglas | 108,422 | 303 |
| Mitchell-Banks, Ben | 117,263 | 7,720 |
| Morsi, Taher | 82,684 | 2,966 |
| Nelson, Gary | 88,727 | 995 |
| Nelson, Mandy | 104,675 | 10,740 |
| Norrish, John | 85,475 | 1,139 |
| O'Hanley, James | 154,279 | 24,962 |
| Ollenberger, Lance | 103,624 | 9,891 |
| Ouellette, Thomas | 105,562 | 9,819 |
| Parsonage, Kevin | 105,484 | 6,393 |
| Paynton, Sean | 75,521 | 935 |
| Purdon, Robert | 78,629 | 300 |

## *Financial Information Act* Report
## Schedule B - Employee Remuneration and Expenses
## For the Year Ended March 31, 2010

| | | |
|---|---|---|
| Rande, Keith | $87,113 | $538 |
| Richards, Christine | 78,967 | 2,934 |
| Scheck, Devin | 119,114 | 3,686 |
| Schneider, Frank | 83,791 | 1,145 |
| Sedun, Thomas | 87,686 | 2,696 |
| Simons, Steve | 151,038 | 28,396 |
| Slocomb, Richard | 120,774 | 7,001 |
| Smith, Peter | 88,084 | 3,025 |
| Smith, Randall | 166,239 | 18,846 |
| St Jean, Roger | 99,885 | 868 |
| Stefik, Ronald | 88,718 | 4,993 |
| Summers, Brian | 81,050 | 160 |
| Swanson, Glen | 83,888 | 1,906 |
| Valliere, Noella | 80,142 | - |
| Walker, Daniel | 108,522 | 383 |
| Zimmer, Dean | 81,982 | 504 |
| | **$5,444,087** | **$324,601** |

**Employee Remuneration and Expenses**

| | |
|---|---|
| Total for Over $75,000 | $5,444,087 |
| Total for Under $75,000 | 6,779,728 |
| C.P.P. Employer Portion | 385,004 |
| E.I. Employer Portion | 156,190 |
| Other Benefits | 1,773,333 |
| **Total Remuneration - Employees** | **14,538,342** |
| Total Remuneration - Appointments | 200,989 |
| | **14,739,331** |
| Accruals, Leave Liability and Severance | 632,669 |
| Salary and Benefits per Audited Financial Statements | **$15,372,000** |

The statement of remuneration and expenses paid to employees during the year ended March 31, 2010 lists gross remuneration, which includes, besides regular salaries and wages, payment for overtime, shift premiums and other allowances and payout of earned entitlements.

## *Financial Information Act* Report
## Schedule C - Appointments Remuneration and Expenses
## For the Year Ended March 31, 2010

| Appointee | Appointment | Remuneration | Expenses |
|---|---|---|---|
| Reimer, Greg | Board Chair | $ - | $ - |
| Jacobson, John | Board Director | 4,500 | 877 |
| Ferguson, Alex | Commissioner/Board Vice Chair | 196,489 | 98,957 |
| **Total** | | **$200,989** | **$99,834** |

# *Financial Information Act* Report
## Schedule D - Grants
## For the Year Ended March 31, 2010

**Grants Paid During Year**

| Name | Description | Amount |
|---|---|---|
| Interstate Oil and Gas Compact Commission | Proportionate Cost of Expenses | $7,020 |
| Royal Canadian Legion 102 | Donation to FSJ Legion | 100 |
| APEG BC Peace River Chapter | APEG Peace River Sponsorship | 2,500 |
| FSJ Government Golf Tournament | OGC Sponsorship - Golf | 300 |
| **Total** | | **$9,920** |

# *Financial Information Act* Report
## Schedule E - Contributions
## For the Year Ended March 31, 2010

**Contributions Paid During Year to First Nations**

| Name | Amount |
|---|---|
| Blueberry River First Nations | $586,000 |
| Dene Tha First Nation | 460,000 |
| Doig River First Nation | 577,000 |
| Fort Nelson First Nation | 577,000 |
| Halfway River First Nation | 577,000 |
| Ktunaxa First Nation | 18,000 |
| McLeod Lake Indian Band | 969,000 |
| Prophet River First Nation | 577,000 |
| Saulteau First Nations | 664,000 |
| West Moberly First Nations | 686,000 |
| **Total** | **$5,691,000** |

## *Financial Information Act* Report
## Schedule F - Purchases from Suppliers
## For the Year Ended March 31, 2010

| Name | Amount |
|---|---|
| 1317684 Alberta Ltd. | $414,151 |
| 1481554 Alberta Ltd. | 95,391 |
| Alero Worldwide | 31,602 |
| Accomodation & Real Estate Services | 2,156,177 |
| Athlone Travel | 141,683 |
| Avanti Software Inc. | 38,546 |
| BC Mail Plus | 30,164 |
| BC Public Service Agency | 318,431 |
| Canadian Standards Association | 36,206 |
| CCS Landfill Services | 76,501 |
| Century Group Inc. | 201,349 |
| Computer Factory | 29,702 |
| Computronix (Canada) Ltd. | 183,446 |
| Conference Board of Canada | 51,480 |
| Dockside Green Ltd. | 36,869 |
| Farris Vaughn | 35,507 |
| Forest Ecosystem Solutions Ltd. | 28,250 |
| Gartner Canada Inc. | 81,000 |
| Garfield Chiropractic Corp. | 49,046 |
| Grand & Toy Limited | 35,559 |
| Hamilton Stationers Ltd. | 33,200 |
| Island Window Coverings | 30,550 |
| Kinetic Systems Inc. | 230,305 |
| Lawson Lundell LLP | 32,940 |
| Matthews Store Fixture & Shelving | 82,671 |
| Metafore Limited Partnership | 95,449 |
| Microsoft Licensing | 59,551 |
| Ministry Of Attorney General | 71,340 |
| Ministry of Forests & Range (ILMB) | 70,760 |
| Ministry Of Labour And Citizens' Services | 197,096 |
| Monk Office Supply Ltd. | 190,562 |
| Muskeg Environmental Consulting Ltd. | 216,800 |
| NCIX | 84,114 |
| Office of the Auditor General | 72,882 |
| Peace Moving & Storage Ltd. | 77,513 |
| Perma Construction Ltd. | 540,149 |
| PHH Vehicle Management Service | 243,494 |
| PMO Global Services Inc. | 34,172 |
| Posscan Systems Inc. | 34,412 |

## *Financial Information Act* Report
## Schedule F - Purchases from Suppliers
## For the Year Ended March 31, 2010

| | |
|---|---|
| Provincial Emergency Program | $25,000 |
| Risk Management Branch and Government Security | 64,353 |
| Queen's Printer | 29,952 |
| Queen's University | 28,661 |
| RICOH Canada Inc. | 30,239 |
| Riverboat Land Holdings Ltd. | 116,423 |
| Telus Communications | 387,720 |
| Uniglobe Travel | 45,501 |
| Warner James Architects | 68,793 |
| Western Financial Insurance | 25,721 |
| WL Construction | 342,336 |
| Workplace Technology Services | 257,196 |
| **Total Over $25,000** | **7,890,915** |
| **Total Under $25,000** | **1,324,154** |
| | **$9,215,069** |

## *Financial Information Act* Report
## Schedule G - Statement of Severance Agreements
## For the Year Ended March 31, 2010

---

There were four severance agreements under which payment commenced between the Oil and Gas Commission and its unionized and non-unionized employees during fiscal year 2009/2010.

These agreements represent from twelve to eighteen months of compensation.

## *Financial Information Act* Report
## Schedule H – Guarantee and Indemnity Agreements
## For the Year Ended March 31, 2010

| Subject | Indemnitee |
|---|---|
| Service Agreement between Ceridian Canada Ltd., and the Oil and Gas Commission, for managed payroll benefit services. | Ceridian Canada Ltd. |
| Agreement between the Oil and Gas Commission and the Prince George Regional Forest Exhibition Society regarding exhibit space participation in the Forest and Resouce Expo taking place at the CN Centre, Prince George, British Columbia, from May 30, 2008 to June 8, 2008. | Prince George Regional Forest Exhibition Society |
| Consent Resolution of the Directors, ensuring that all Oil and Gas Commission officers and employees have full backing of the Oil and Gas Commission for legal costs associated with the normal performance of their duties. | Oil and Gas Commission officers and employees |
| Lease Agreement whereby the Oil and Gas Commission agrees to indemnify the Landlord, Riverboat Holdings Ltd., for leased office space at Unit 101, located at the building known as the Tuchodi Building, having a civic address of 4701 55th Street, Fort Nelson, BC. | Riverboat Land Holdings Ltd. |
| Lease Agreement between Oil and Gas Commission (Tenant) and Dockside Green Limited Partnership with respect to approximately 4,323 square feet of office space in the building known as "Prosperity" and approximately 13,288 square feet of office space in the building known as "Inspiration". | Dockside Green Limited Partnership (Landlord) |